

## FUNCTION 370: COMMERCE AND HOUSING CREDIT

This function includes discretionary housing programs, such as subsidies for single and multifamily housing in rural areas and mortgage insurance provided by the Federal Housing Administration; net spending by the Postal Service; discretionary funding for commerce programs, such as international trade and exports, science and technology, the census, and small business; and mandatory spending for deposit insurance activities related to banks, savings and loans, and credit unions.

---

---

(\$ Billions)							
	1999 Actuals	2000	2001	2002	2003	2004	2005
<b>President's Budget:</b>							
Budget authority	14.4	10.2	10.8	5.7	5.0	4.0	4.5
Outlays	2.6	5.6	2.9	2.1	1.7	1.8	2.5
<b>OMB Baseline:</b>							
Budget authority	14.4	10.1	14.9	10.2	9.8	9.2	9.8
Outlays	2.6	5.6	6.3	6.4	6.3	6.8	7.6
<b>Budget compared to OMB Baseline:</b>							
Budget authority	---	0.1	-4.1	-4.5	-4.8	-5.2	-5.4
Outlays	---	0.0	-3.3	-4.4	-4.6	-5.0	-5.2

---

---

The President's 2001 budget reflects a \$0.6 billion increase in budget authority from the 2000 level for all activities in this function, while outlays would decrease by \$2.7 billion. **The unusual pattern results mostly from the drop-off in spending that occurs following completion of the decennial census in 2000**, as well as from baseline features in certain mandatory programs, primarily the Federal Housing Administration and the Postal Service.

Looking at **discretionary programs alone**, the President's request reflects a decrease in budget authority from \$7.2 billion in 2000 to \$3.5 billion in 2001. However, setting aside the reduced request for the decennial census (whose cyclical spending spike was met in 2000), the President would increase BA for the remaining discretionary programs in this function by \$0.3 billion above the 2000 level, for an 11.3 percent increase. Specific major proposals are listed below.

- < The largest change and major decrease is for the **Bureau of the Census**, which would receive a total of \$0.7 billion (compared to the 2000 level of \$4.8 billion).
- < Several programs are slated for increases in excess of 30 percent under the President's request. In creating a new account just for the non-loan business assistance activities of the **Small Business Administration (SBA)**, the President would increase funding on such

activities by \$0.1 billion, or 31 percent. Funding for **SBA loan subsidies** would also increase by 31 percent.

- < The appropriation for the Department of Commerce's **Industrial Technology Services**, which includes the President's signature **Advanced Technology Program**, would increase by \$0.1 billion, or 38 percent, making possible an additional 65 new grant awards in 2001.
- < Funding for **Rural Housing loans** in the Department of Agriculture would increase by \$0.2 billion, or 30 percent.
- < On the mandatory side, there is only one significant policy change. The President again proposes to have the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve **charge state banks a fee** to cover the costs of their safety and soundness examinations. The fee would produce annual receipts of \$0.1 billion on the spending side of the budget for the FDIC, while the Federal Reserve effect would appear as \$0.4 billion in new revenues (over the next five years) in the form of the Fed's annual payment to the Treasury.



